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LISTING STATEMENT NO. 2593

LISTED JANUARY 15, 1973
1,296,478 Common Shares with a par value of \$1 each
Stock Symbol FMR
Post Section 1.2

THE TORONTO STOCK EXCHANGE
LISTING STATEMENT

FARMERS & MERCHANTS TRUST CO. LTD.

(Incorporated by an Ordinance of the North-West Territories, March 10, 1910)

CUSIP 308685 10 6

CAPITALIZATION AS AT OCTOBER 31, 1972

SHARE CAPITAL	Authorized	Issued and Outstanding	To be Listed
Common Shares of a par value of \$1 each	2,000,000	1,296,478	1,296,478

1. APPLICATION

Farmers & Merchants Trust Co. Ltd. (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,296,478 common shares of a par value of \$1 each in the capital stock of the Company, of which 1,296,478 have been issued and are outstanding as fully paid and non-assessable.

2. HISTORY

The Company was incorporated 1910 by an Ordinance of the North-West Territories under the name of Canadian Trust & Loan Company Limited for the purpose of providing locally-based trust facilities in what later became the Province of Alberta. The Company's name was changed to Farmers & Merchants Trust Co. Ltd., November 21, 1957, and began business on December 10, 1957.

The Company is registered and licensed to carry on a trust company business under the provisions of the Trust Companies Act of the Province of Alberta, and under the corresponding legislation in the Provinces of British Columbia and Québec.

3. NATURE OF BUSINESS

The Company is registered and licensed to carry on a trust company business under the provisions of the Trust Companies Act of the Province of Alberta, and under the corresponding legislation in the Provinces of British Columbia and Québec.

The Company carries on business at the following branch locations:

Place	Street Address
Calgary	209-8th Avenue S.W.
Edmonton	10225 Jasper Avenue
Lethbridge	309-7th Street South
Montréal	1450 St. Catherine Street West
Medicine Hat	523-3rd Street S.E.
Red Deer	4822 Gaetz Avenue
Grande Prairie	9933 Richmond Avenue
Vancouver	456 Seymour Street
Victoria	731 Fort Street

The Victoria Branch began active operations in December, 1972.

The Company's business may be broken down into four areas as follows:

a) *Near Banking* — The Company provides near banking services, offering facilities for savings accounts, chequing accounts, and term deposits known as guaranteed investment certificates. Funds on deposit in savings and chequing accounts can be withdrawn by depositors on essentially a demand basis. All guaranteed investment certificates are term deposits.

b) *Mortgage Lending* — The major source of the Company's revenue is from its mortgage lending operations on a wide range of real estate. For the past several years it has been the general policy to limit the term of these loans normally to five years with amortization periods usually of 20 to 25 years. The Company is an approved lender of the National Housing Act of Canada, engages to a limited extent in construction and development loans, and also buys and sells mortgages from time to time in transactions with institutions and other investors.

c) *Investment* — The Company holds a substantial portfolio of investment securities, which is managed by an investment committee appointed by the board of directors. The Company and its subsidiaries, Town & Country Apts. Ltd., and Greenwood Properties (1970) Ltd., hold a limited number of real estate properties for investment purposes.

d) *Estates, Trusts, and Agencies* — The Company is engaged to a limited extent in Estates, Trusts and Agencies business. It acts as trustee for Registered Retirement Savings Plans, as the executor of a small number of estates and as corporate transfer agent and registrar for a small number of public companies. It manages some real estate properties for clients and carries on a real estate agency business throughout Alberta.

The Company employs 70 persons.

4.

INCORPORATION

The Company was incorporated in 1910 by an Ordinance of the North-West Territories under the name of Canadian Trust & Loan Company Limited, with an authorized capital of 500 common shares at a par value of \$100 each.

On November 21, 1957, the Company's name was changed to Farmers & Merchants Trust Co. Ltd. and the authorized capital was changed to 250,000 common shares of a par value of \$1 each.

In September, 1959, 100,000 7% cumulative preference shares were authorized at a par value of \$10 each.

In February, 1961, the authorized common shares were increased from 250,000 to 1,000,000 with a par value of \$1 each.

On June 30, 1972, an Order-in-Council was passed to increase the authorized common shares from 1,000,000 to 2,000,000 with a par value of \$1 each and the cancellation of the 100,000 7% cumulative preference shares.

5.

SHARES ISSUED DURING PAST TEN YEARS

a) Common shares with Par Value of \$1 Each

<u>Date of Issue</u>	<u>Number of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
September 28, 1964	188,850	\$2.50	\$ 472,125.00	To expand capitalization so as to increase deposit base
October 22, 1964	55,500	2.50	138,750.00	To expand capitalization so as to increase deposit base
October 31, 1964	130,650	2.50	326,625.00	To expand capitalization so as to increase deposit base
September 8, 1967	174,763	2.82	492,545.38	To expand capitalization so as to increase deposit base
April 2, 1969	4,000	3.15	12,600.00	To expand capitalization so as to increase deposit base
April 17, 1969	1,000	3.15	3,150.00	To expand capitalization so as to increase deposit base
January 24, 1972	4,000	2.75	11,000.00	To expand capitalization so as to increase deposit base
September 15, 1972	404,382	3.00	1,213,146.00	Shares issued under offer to existing shareholders to buy one share for each two shares held at \$3 per share
September 15, 1972	83,333	3.00	250,000.00	To convert outstanding preference shares to common shares at the rate of \$3.00 per common share

b) *7% Cumulative Preference Shares*

The Company did not issue any preference shares during the past ten years.

On September 15, 1972, the preference shares were cancelled, and the outstanding preference shares were converted to common shares at the rate of \$3.00 per common share.

6. STOCK PROVISIONS AND VOTING POWERS

Each common share carries one vote at all meetings of the shareholders. There is only one class of share authorized.

7. DIVIDEND RECORD

a) *7% Cumulative Preference Shares*

<u>Payment Date</u>	<u>Rate</u>	<u>Number of Shares</u>	<u>Amount of Dividend</u>
October 31, 1962	.035	25,000	\$ 8,750.00
October 31, 1963	—	25,000	—
October 31, 1964	.175	25,000	43,750.00
October 31, 1965	.07	25,000	17,500.00
October 31, 1966	.07	25,000	17,500.00
October 31, 1967	.07	25,000	17,500.00
October 31, 1968	.07	25,000	17,500.00
October 31, 1969	.07	25,000	17,500.00
October 31, 1970	.07	25,000	17,500.00
October 31, 1971	.07	25,000	17,500.00
June 30, 1972	.07	25,000	12,315.95

b) *Common Shares*

October 31, 1962	.30	250,000	\$75,000.00
September 30, 1972	.03	1,296,478	38,894.34
December 29, 1972	.03	1,296,478	38,894.34

The Company has issued no stock dividends and there are no dividends in arrears.

8. RECORD OF PROPERTIES

a) *Office Premises*

The building in which the Head Office of the Company is located is owned by Town & Country Apts. Ltd., which is a wholly-owned subsidiary of the Company. The building is located at 209-8th Avenue S.W., Calgary, Alberta, and is in good condition. There is a small agreement for sale payable against the property.

The building in which the Victoria branch of the Company is located is owned by the Company. The building is located at 731 Fort Street, Victoria, British Columbia, and has been newly renovated and is in good condition.

All of the Company's other branch locations are held under long-term leases for varying terms up to a maximum of 10 years. These are as follows:

<u>Place</u>	<u>Street Address</u>	<u>Condition</u>
Calgary	209-8th Avenue S.W.	Good
Edmonton	10225 Jasper Avenue	Good
Lethbridge	309-7th Street South	Good
Montréal	1450 St. Catherine Street West	Good
Medicine Hat	523-3rd Street S.E.	Good
Red Deer	4822 Gaetz Avenue	Good
Grande Prairie	9933 Richmond Avenue	Good
Vancouver	456 Seymour Street	Good

b) *Real Estate and Income Property*

The Company and one of its subsidiaries own certain properties either for Income purposes or development

as follows:

i) *The Company*

<u>Description</u>	<u>Location</u>	<u>Condition</u>	<u>Owned, Leased or Mortgaged</u>
Apartment Block	3511-118th Avenue Edmonton, Alberta	Good	Owned
Apartment Block	10040-152nd Street Edmonton, Alberta	Good	Owned
33.3 Acres Land	Trans-Canada Highway and Roberts Road Vancouver, British Columbia	To Be Developed	Owned

ii) *Greenwood Properties (1970) Ltd.*

House and Land	9324-93rd Street Edmonton, Alberta	Good	Owned
Apartment Block	10125-153th Street Edmonton, Alberta	Good	Mortgage

9. SUBSIDIARY COMPANIES

See Appendix on Page 7.

10. FUNDED DEBT

Neither the Company nor any of its subsidiaries has any funded debt.

11. OPTIONS, UNDERWRITINGS, ETC.

There are no outstanding options, underwritings, sale agreements or other contracts or agreements of a like nature with respect to any unissued shares or any issued shares held for the benefit of the Company.

12. LISTING ON OTHER STOCK EXCHANGES

The Company is a member of the Calgary Stock Exchange. The Shares of the Company were listed May 29, 1969.

Listing has not been suspended, withdrawn or refused.

13. SECURITIES COMMISSIONS

The Company does not come directly under the jurisdiction of the Securities Commissions of Alberta and Ontario; however, it does voluntarily file copies of various information with these bodies.

14. FISCAL YEAR

The Fiscal year of the Company ends on December 31 in each year.

15. ANNUAL MEETINGS

The By-Laws of the Company provide that the annual meeting of the Company shall be held at the head office of the Company within fifteen months of the previous meeting and the date set by the Board of Directors.

The last annual meeting was held June 15, 1972.

16. HEAD OFFICE AND BRANCH OFFICES

The Head Office is located at 300-209-8th Avenue S.W., Calgary, Alberta, with branch offices as follows:

<u>Location</u>	<u>Street Address</u>
Calgary	209-8th Avenue S.W.
Edmonton	10225 Jasper Avenue
Lethbridge	309-7th Street South
Montréal	1450 St. Catherine Street West
Medicine Hat	523-3rd Street S.E.

<u>Location</u>	<u>Street Address</u>
Red Deer	4822 Gaetz Avenue
Grande Prairie	9933 Richmond Avenue
Vancouver	456 Seymour Street
Victoria	731 Fort Street

17. TRANSFER AGENT AND REGISTRAR

The Company acts as its own Transfer Agent and Registrar. The share records are maintained at its head office, 300-209-8th Avenue S.W., Calgary, Alberta. Farmers & Merchants Trust is in the process of applying for registration to carry on business in Ontario. Until the Company is in a position to set up its own transfer agency in Ontario, Guaranty Trust Company will act as a transfer agent in Toronto.

18. TRANSFER FEE

The Company does not charge any fee on transfer or registration of shares.

19. AUDITORS

The auditors of the Company are: Riddell, Stead & Co., 7th Floor, 407-8th Avenue S.W., Calgary, Alberta.

20. OFFICERS AND DIRECTORS

The names, Company positions held, addresses, and positions previously held, of the Officers and Directors of the Company are:

<u>Name and Address</u>	<u>Title</u>	<u>Position Previously Held</u>
Jack B. Whitely 110 Elm Crescent Drive Baie d'Urfe, Québec	Chairman of the Board	President and Chief Executive Officer, St. Maurice Capital Corporation Limited (1971 to present); President, J. B. Whitely & Company Ltd., financial consultants, (1969-1970); Vice-President, Finance, Canadian Inter-urban Properties Limited, (1968-1969); Director, General Mortgage Corporation of Canada; Sklar Manufacturing Ltd.
Donald A. Ross, C.A. 3207-3rd Street S.W. Calgary, Alberta	President and General Manager	President, Farmers & Merchants Trust Co. Ltd. (1964 to present); Partner, Gunn, Roberts & Co., Chartered Accountants, (1960-1966); Director, St. Maurice Capital Corporation Limited
Richey B. Love, Q.C. 72 Baycrest Place S.W. Calgary, Alberta	Vice-President	Partner, MacLeod, Dixon, Solicitors (1957 to present); Director, St. Maurice Capital Corporation Limited
L. W. DerBach 1430 Crescent Road N.W. Calgary, Alberta	Secretary-Treasurer	Secretary-Treasurer, Farmers & Merchants Trust Co. Ltd., (1969 to present); (1967-1969, Comptroller)
Thaddeus L. Charne, Q.C. 1339 Wellington Crescent Winnipeg, Manitoba	Director	President, St. Maurice Properties Limited (1971 to date); Vice-President and General Counsel, Aronovitch and Leipsic Limited, (1952-1971)
Daniel P. Hays 1107 Frontenac S.W. Calgary, Alberta	Director	Solicitor, MacLeod, Dixon, (1967 to present)

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

FARMERS & MERCHANTS TRUST CO. LTD.

By: "D. A. ROSS",
President

By: "L. W. DER BACH",
Secretary-Treasurer

DISTRIBUTION OF COMMON STOCK AS OF OCTOBER 31, 1972

<u>Number</u>		<u>Shares</u>
8	..... Holders of 1 — 24 share lots	89
25	..... " " 25 — 99 " "	1,387
73	..... " " 100 — 199 " "	9,045
38	..... " " 200 — 299 " "	8,148
37	..... " " 300 — 399 " "	11,650
10	..... " " 400 — 499 " "	4,435
42	..... " " 500 — 999 " "	27,316
69	..... " " 1000 — up " "	1,234,408
<u>302</u>	Shareholders	Total shares <u>1,296,478</u>

APPENDIX (Item 9 on Page 4)

SUBSIDIARY COMPANIES

	Name of Company	Nature of Business	Details of Incorporation			Share Capital			% Owned by Company
			Manner	Date	Place	Authorized	Par Value	Issued	
7	Town & Country Apts. Ltd:	Real Estate	Memorandum of Association	February 5, 1959	Aberta	170,870 Common	\$1 each	170,870	100%
	Greenwood Properties (1970) Ltd.	Real Estate	Memorandum of Association	June 3, 1970	Alberta	1,000 Common 14,800 Preference	No par value \$5 each	100 14,800	100% 100%
	Famteo Holdings Ltd.	Real Estate	Memorandum of Association	October 26, 1970	British Columbia	10,000 Common	No par value	3	100%
	D & B Noteholders Properties Ltd.	Shopping Centre Rental	Memorandum of Association	May 5, 1965	British Columbia	64,000 Preference 32,000 Common	\$10 each \$5 each	nil 24,280	nil 100%

FARMERS & MERCHANTS TRUST CO. LTD.
AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
CAPITAL AND GUARANTEED TRUST ACCOUNTS

A S S E T S

	December 31	
	1971	1970
Cash and bank deposit receipts	\$ 2,437,593	\$ 3,627,943
Investment in marketable securities, at cost (Note 2):		
Government bonds	12,197,426	7,842,842
Municipal bonds	1,096,665	1,427,892
Corporate bonds	7,939,393	6,056,915
Stocks	1,816,367	3,418,903
	<u>23,049,851</u>	<u>18,746,552</u>
Mortgages, agreements and secured loans	36,960,657	34,867,937
Accounts receivable and prepaid expenses	221,153	116,334
Properties held for sale	461,333	933,420
Rental properties (Note 3)	1,049,362	—
Land, buildings and leasehold improvements, at cost less accumulated depreciation of —		
1971 — \$175,401; 1970 — \$132,480	347,587	381,827
	<u>\$64,527,536</u>	<u>\$58,674,013</u>

L I A B I L I T I E S

	December 31	
	1971	1970
Guaranteed trust accounts:		
Savings deposits	\$10,377,527	\$ 7,512,355
Guaranteed savings certificates	48,407,456	45,127,523
	<u>58,784,983</u>	<u>52,639,878</u>
Accounts payable and accrued liabilities:		
Brokers	304,289	1,003,441
Trade and others	151,380	336,452
Income taxes payable	179,502	26,860
Mortgages payable	169,511	29,045
Subordinated convertible note payable —		
7 1/2% (Note 4)	—	203,748
Deferred income	1,717,261	1,766,154
Mortgage reserve	150,000	150,000
Shareholders' ownership:		
Capital stock:		
Authorized —		
100,000 7% cumulative preference shares of a par value of \$10 each		
1,000,000 common shares of a par value of \$1 each		
Issued—		
25,000 preference shares	250,000	250,000
804,763 common shares	804,763	804,763
Reserve fund	1,000,000	800,000
Surplus	1,015,847	663,672
	<u>3,070,610</u>	<u>2,518,435</u>
	<u>\$64,527,536</u>	<u>\$58,674,013</u>

FARMERS & MERCHANTS TRUST CO. LTD.
and Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME AND SURPLUS

	Year ended December 31, 1971	Fourteen months ended December 31, 1970
Profit before the following	\$4,866,561	\$4,560,343
Interest on deposits	4,036,759	4,174,239
Income before income taxes and extraordinary item	829,802	386,104
Income taxes	307,075	85,953
Income before extraordinary item	522,727	300,151
Extraordinary item:		
Recovery of income taxes (Note 5)	78,922	—
Income for the period	601,649	300,151
Surplus at beginning of period	663,672	531,021
	1,265,321	831,172
Less:		
Transferred to reserve fund	200,000	150,000
Dividends on preference shares	17,500	17,500
Excess cost of shares of subsidiary over net book value of assets (Note 4)	31,974	—
Surplus at end of period	<u>\$1,015,847</u>	<u>\$ 663,672</u>

CONSOLIDATED STATEMENT OF RESERVE FUND

	Year ended December 31, 1971	Fourteen months ended December 31, 1970
Balance at beginning of period	\$ 800,000	\$ 650,000
Transfer from surplus	200,000	150,000
Balance at end of period	<u>\$1,000,000</u>	<u>\$ 800,000</u>

CONSOLIDATED STATEMENT OF EARNINGS

	October 31, 1967	October 31, 1968	October 31, 1969	14 Months Ended December 31, 1970	December 31, 1971	(Unaudited) 9 Months Ended September 30, 1972
GROSS REVENUE	\$2,673,407	\$3,033,966	\$4,095,310	\$5,657,042	\$5,902,833	\$5,235,562
EXPENSES						
Interest on deposits and borrowings ...	1,667,166	1,953,005	2,802,496	4,174,239	4,036,759	3,257,704
Personnel	269,178	301,821	421,215	551,751	547,731	453,387
Premises	113,866	107,506	157,751	166,503	183,157	121,355
Other	400,184	342,627	405,581	378,445	305,384	416,909
	2,450,394	2,704,959	3,787,043	5,270,938	5,073,031	4,249,355
EARNINGS before income taxes and extraordinary items	223,013	329,007	308,267	386,104	829,802	986,207
Income taxes	52,820	119,198	80,770	85,953	307,075	441,091
EARNINGS before extraordinary items ..	170,193	209,809	227,497	300,151	522,727	545,116
Loss on devaluation of foreign currency, net of applicable income taxes	(30,000)	—	—	—	—	—
Recovery of income taxes	15,675	65,730	35,070	—	78,922	123,000
NET EARNINGS	<u>\$ 155,868</u>	<u>\$ 275,539</u>	<u>\$ 262,567</u>	<u>\$ 300,151</u>	<u>\$ 601,649</u>	<u>\$ 668,116</u>
EARNINGS PER SHARE						
Before extraordinary items	22 cents	24 cents	26 cents	35 cents	62 cents	64 cents
Net earnings	20 cents	32 cents	30 cents	35 cents	72 cents	78 cents

FARMERS & MERCHANTS TRUST CO. LTD.
and Subsidiary Companies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1971

1. The subsidiary companies, Trans-Canada Savings and Trust Corporation, Town & Country Apts. Ltd., Farmers & Merchants Trust Company (Nassau Office) Limited, Greenwood Properties (1970) Ltd., Famtco Holdings Ltd., and D & B Noteholders Properties Ltd. are wholly-owned.
2. No provision has been made for the decline in the market value of marketable securities below cost because, in the opinion of management, such decline does not represent a permanent diminution in value.

Statutory values are determined in accordance with 1970 amendments to regulations authorized by the Alberta Trust Companies Act 1967.

The statutory and market values are:

	1971		1970	
	Statutory value	Market value	Statutory value	Market value
Government bonds	\$12,197,426	\$12,076,549	\$ 7,849,740	\$ 7,247,846
Municipal bonds	1,096,665	1,034,884	1,427,892	1,280,591
Corporate bonds	7,862,046	7,932,018	6,006,503	5,699,843
Stocks	1,512,715	1,512,715	2,677,767	2,677,767
	<u>\$22,668,852</u>	<u>\$22,556,166</u>	<u>\$17,961,902</u>	<u>\$16,906,047</u>

3. The rental properties were acquired December 30, 1971, and therefore depreciation has not been provided.
4. During the year the Company paid the balance outstanding on the 7 1/2% subordinated convertible note which was part of the consideration for the purchase of all the outstanding shares of Trans-Canada Savings and Trust Corporation. The note and cost of shares were reduced in accordance with the terms of the agreement. The final settlement of the note resulted in the shares having a cost of \$31,974 in excess of the net book value of assets of Trans-Canada. This excess has been written off to surplus.
5. For income tax purposes the Company has included in taxable income certain amounts carried as deferred income for accounting purposes. As these amounts are transferred from deferred income to current income, no further income taxes are payable on them. As a result of this procedure income taxes otherwise payable were reduced by \$78,922 in 1971. A balance of \$672,081, which has been included in taxable income, remains in deferred income at December 31, 1971.

AUDITORS' REPORT

February 18, 1972

To the Shareholders of
Farmers & Merchants Trust Co. Ltd.

We have examined the consolidated balance sheet of Farmers & Merchants Trust Co. Ltd. and subsidiary companies as at December 31, 1971, and the consolidated statements of earnings, retained earnings (deficit), general reserve and contributed surplus for the five fiscal periods then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances, including verification of cash, bank balances and securities of the companies. All our requirements as auditors have been complied with.

After due consideration we have formed an independent opinion of the position of the companies as at December 31, 1971, and we report that in our opinion and according to the best of our information and the explanations given to us these consolidated financial statements present fairly the financial position of the companies as at December 31, 1971, and the results of their operations for the five fiscal periods then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

We report that the financial statements are in agreement with the books of the companies and that all transactions of the Company that have come within our notice have in our opinion been within the powers of the Company.

Calgary, Alberta
December 4, 1972.

(Signed) Price Waterhouse & Co.
Chartered Accountants

FARMERS & MERCHANTS TRUST CO. LTD.
and Subsidiary Companies

CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 1972
(Unaudited)

A S S E T S

	September 30, 1972	September 30, 1971
CASH AND BANK DEPOSIT RECEIPTS	\$ 9,014,768	\$ 3,907,444
INVESTMENT IN MARKETABLE SECURITIES at cost (quoted market value of 1972— \$25,129,281.73; 1971 — \$21,498,903.70)		
Government bonds	18,527,687	9,742,324
Municipal bonds	940,746	1,338,317
Corporate bonds	5,117,958	9,327,906
Stocks	2,354,584	2,518,181
	<u>26,940,975</u>	<u>22,926,728</u>
MORTGAGES, AGREEMENTS AND SECURED LOANS	42,718,190	36,397,554
ACCOUNTS RECEIVABLE AND PREPAID EXPENSES 1972 — \$37,727.20; 1971 — \$19,348.77	627,525	342,610
PROPERTIES HELD FOR SALE	279,999	929,812
RENTAL PROPERTIES, Less accumulated depreciation of \$42,735.00	1,154,335	—
LAND, BUILDINGS AND LEASEHOLD IMPROVEMENTS at cost less accumulated depreciation of 1972 — \$184,478.87; 1971 — \$170,677.48	488,692	351,637
	<u>\$81,224,484</u>	<u>\$64,855,785</u>

L I A B I L I T I E S

	September 30, 1972	September 30, 1971
GUARANTEED TRUE ACCOUNTS		
Savings deposits	\$12,165,994	\$10,385,387
Guaranteed savings certificates	58,720,928	47,724,335
	<u>70,886,922</u>	<u>58,109,722</u>
OTHER LIABILITIES		
Accounts payable and accrued liabilities		
Brokers	2,378,099	891,699
Traders and others	343,993	734,430
	<u>2,722,092</u>	<u>1,626,129</u>
Income taxes	392,845	—
Mortgage	166,702	137,661
Deferred income	1,939,630	1,750,292
	<u>5,221,269</u>	<u>3,514,082</u>
SUBORDINATED CONVERTIBLE NOTE PAYABLE 7 1/2%	—	214,790
MORTGAGE ALLOWANCE	150,000	150,000
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized		
100,000 7% cumulative preference shares of a par value of \$10 each		
2,000,000 common shares of a par value of \$1 each		
Issued		
25,000 preference shares	—	250,000
1,296,478 common shares	1,296,478	804,763
Contributed surplus	1,928,094	891,032
Reserve funds	1,000,000	800,000
Retained earnings	741,721	121,396
	<u>4,966,293</u>	<u>2,867,191</u>
	<u>\$81,224,484</u>	<u>\$64,855,785</u>

FARMERS & MERCHANTS TRUST CO. LTD.
and Subsidiary Companies
CONSOLIDATED STATEMENT OF INCOME AND SURPLUS
FOR THE PERIOD JANUARY 1, 1972, TO SEPTEMBER 30, 1972
(Unaudited)

	<u>1972</u>	<u>1971</u>
Profit before the following	\$4,243,911	\$3,471,717
Interest on deposits	<u>3,257,704</u>	<u>3,035,970</u>
Income before income taxes and extraordinary item	986,207	435,747
Income taxes	<u>441,091</u>	<u>157,341</u>
Income before extraordinary item	545,116	278,406
Extraordinary item:		
recovery of income taxes	<u>123,000</u>	<u>70,350</u>
Income for the period	668,116	348,756
Surplus at beginning of period	<u>124,815</u>	<u>(227,360)</u>
	792,931	121,396
Less: dividends on preference shares	12,316	—
dividends on common shares	<u>38,894</u>	<u>—</u>
Surplus at end of period	<u><u>741,721</u></u>	<u><u>121,396</u></u>